

Freehold Supermarket Investment

CO-OPERATIVE GROUP FOOD LIMITED

224-226 HAMPTON ROAD, TWICKENHAM TW2 5NJ



christopher
property investment dee

savills

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↑ TO TWICKENHAM

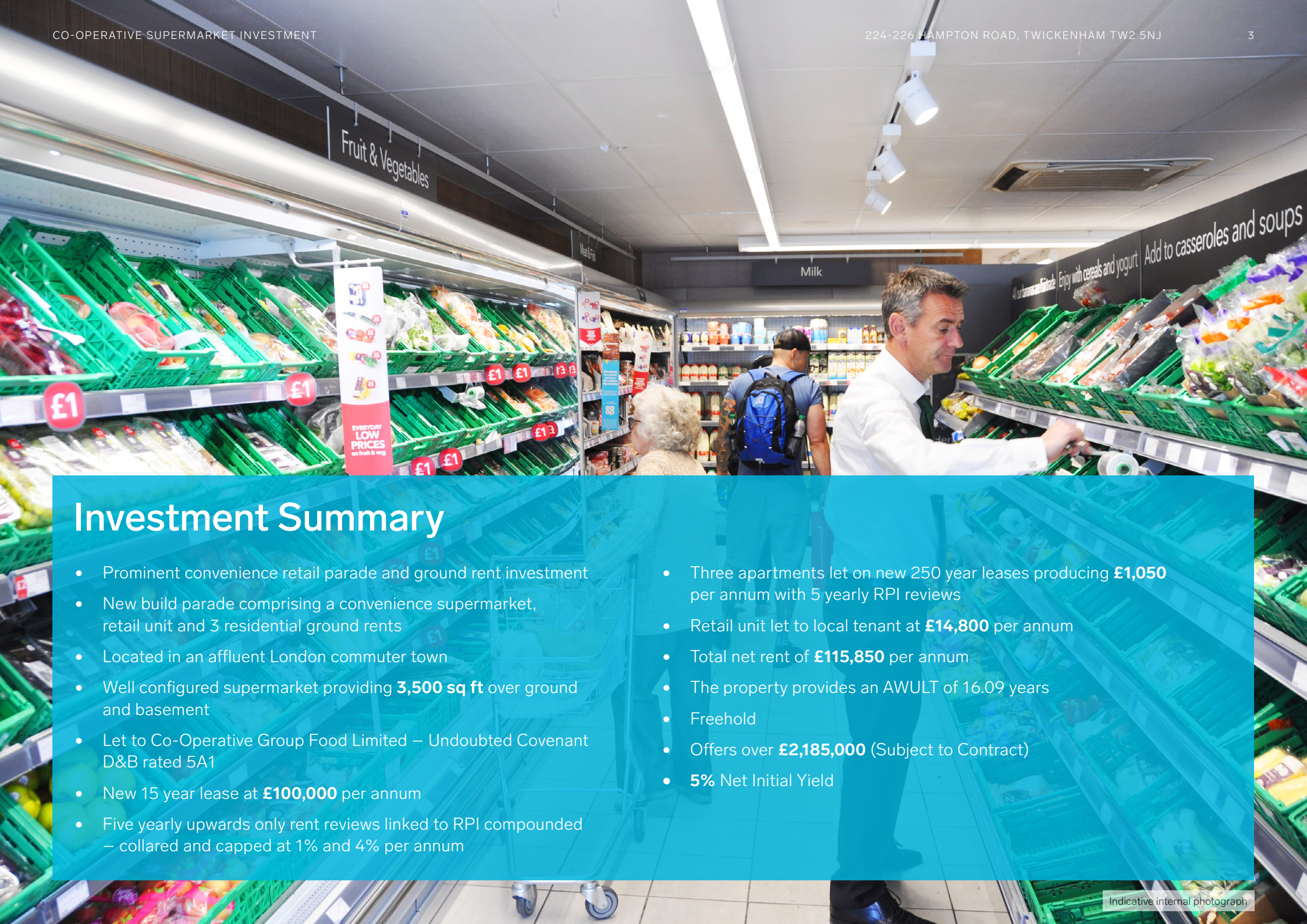


B358 / SIXTH CROSS ROAD

A311 / HAMPTON ROAD

B358 / SOUTH ROAD





Investment Summary

- Prominent convenience retail parade and ground rent investment
- New build parade comprising a convenience supermarket, retail unit and 3 residential ground rents
- Located in an affluent London commuter town
- Well configured supermarket providing **3,500 sq ft** over ground and basement
- Let to Co-Operative Group Food Limited – Undoubted Covenant D&B rated 5A1
- New 15 year lease at **£100,000** per annum
- Five yearly upwards only rent reviews linked to RPI compounded – collared and capped at 1% and 4% per annum
- Three apartments let on new 250 year leases producing **£1,050** per annum with 5 yearly RPI reviews
- Retail unit let to local tenant at **£14,800** per annum
- Total net rent of **£115,850** per annum
- The property provides an AWULT of 16.09 years
- Freehold
- Offers over **£2,185,000** (Subject to Contract)
- **5%** Net Initial Yield

Location

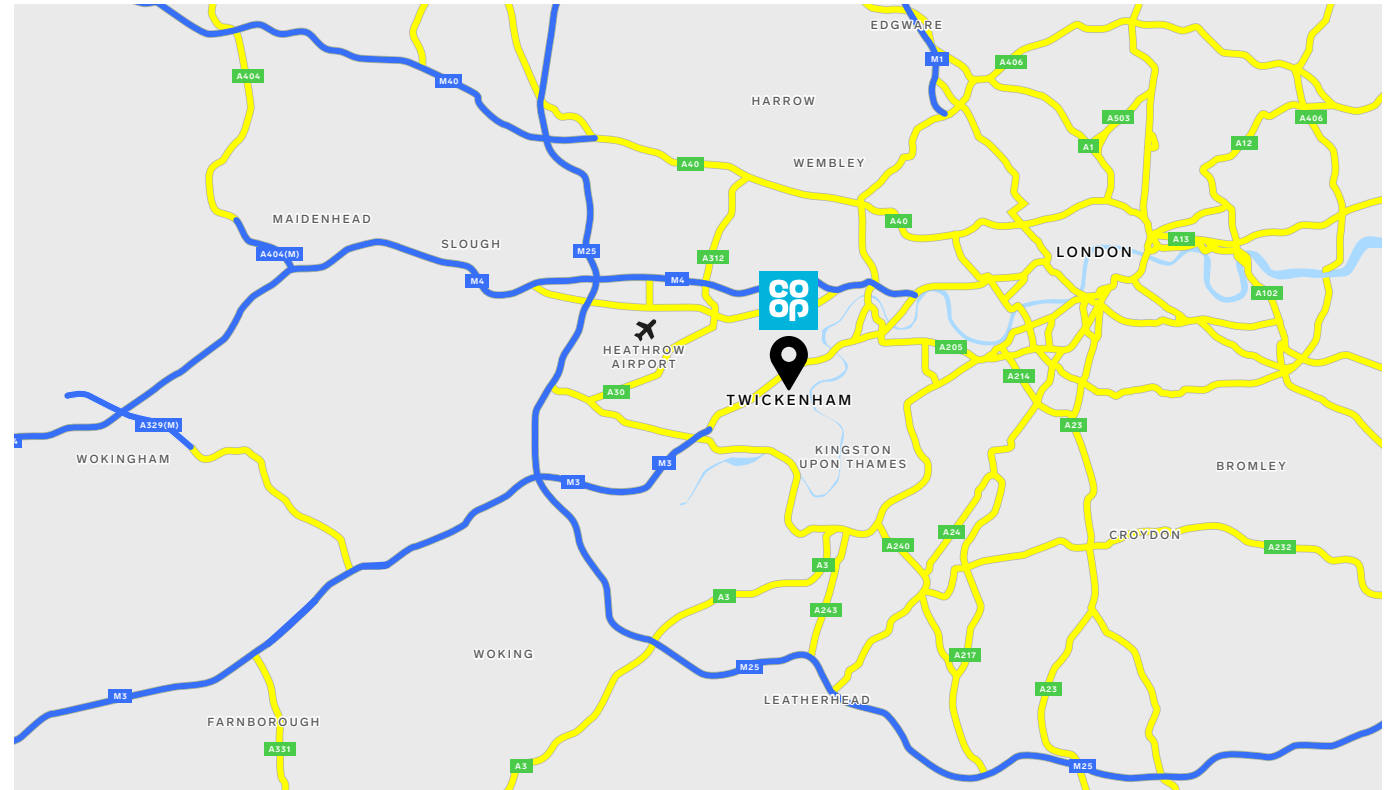
Twickenham is located 8 miles south west of central London, 4 miles from Kingston and 6 miles from Heathrow Airport. The A316 links directly to Junction 1 of the M3.

Twickenham has a population of approximately 97,000 which includes many professionals working in Central London.

Twickenham benefits from excellent communication links with the nearby Fulwell mainline station providing a service to London Waterloo in 39 minutes. Numerous bus routes also serve the location.

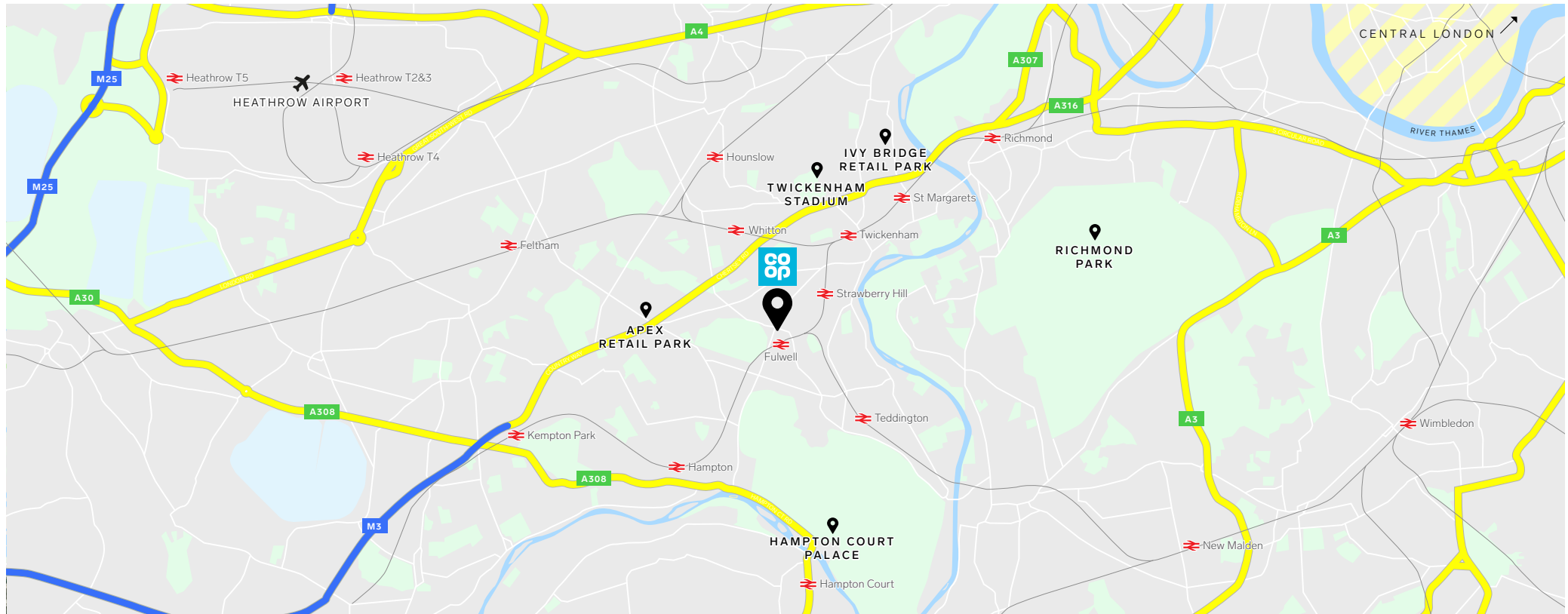
Twickenham is world renowned for Twickenham Stadium, the home of English Rugby with a capacity of 82,500. As well as the venue for England rugby internationals, the stadium hosts many other sporting events, concerts and conferences attracting tens of thousands to the town on a regular basis.

Twickenham is located within the affluent south west quadrant of Greater London within the London Borough of Richmond-upon-Thames.



Situation

The property occupies an extremely prominent location at the junction of Hampton Road and Sixth Cross Road forming part of a vibrant retail parade serving the densely populated residential area.



The property is one mile to the southwest of Twickenham Town centre opposite Brouge Gastropub and immediately adjacent to a Wickes retail warehouse, Volkswagen car showroom and the award winning Squires Garden Centre.

Description

The property comprises an impressive new corner building arranged over basement, ground and two upper floors of brick construction under a pitched roof and a rear surface car park. The entire property extends to 6,964 sq ft.

Internally, Unit 1 provides an open plan supermarket over ground and basement which will be fitted out in Co-Op's latest trading format. Externally there will be an ATM on the side elevation.

To the rear of the property, accessed from Sixth Cross Road, is a surface car park with 9 spaces, 6 of which are dedicated to the Co-Op store. The property benefits from rear servicing.

Unit 2 comprises a smaller format convenience store occupied by a local tenant.

At first and second floors within the Freehold demise there will be three independently accessed two bedroom apartments sold on 250 year Long Leaseholds.

Anticipated Practical completion will be in late September 2018.



Tenancy & Accommodation

The property is let in accordance with the tenancy schedule below on full repairing and insuring leases.

Unit	Area (sq ft)	Tenant	Term	Lease Start	Rent Review	Lease Expiry	Rent (PSF)	Comments
Unit 1	(Basement: 1,300) Ground Floor: 2,200 Total: 3,500	Co-Operative Ground Food Limited	15	1/10/18	1/10/23	30/9/33	£100,000	5 yearly RPI (1-4% Collar/Cap)
Unit 2	796	Mr & Mrs Ruparel & Mr Shanmugarajah	15	15/1/10		14/1/25	£14,800	No further reviews
Flat A	872	Twickenham Assets Limited	250	1/10/18	1/10/23	30/9/68	£350	5 yearly RPI (All Items)
Flat B	907	Twickenham Assets Limited	250	1/10/18	1/10/23	30/9/68	£350	5 yearly RPI (All Items)
Flat C	889	Twickenham Assets Limited	250	1/10/18	1/10/23	30/9/68	£350	5 yearly RPI (All Items)
Total	6,964 sq ft						£115,850	

SITE

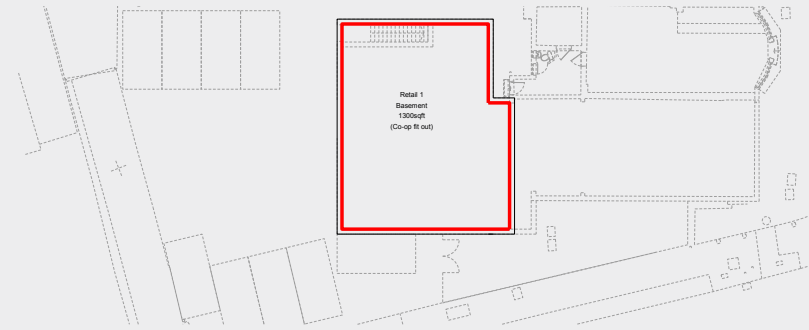
The freehold property extends to 0.2 acres, and includes a tarmacked car park to the rear of the property.

Tenure

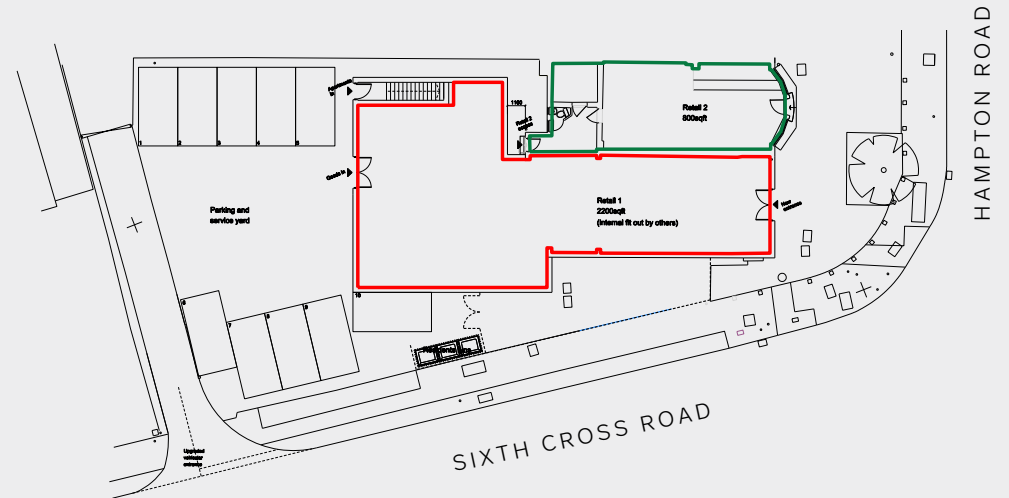
The property is held Freehold.



Basement Level



Ground Floor



Covenant Status

Co-operative Group Food Limited (Company Number: IP26715R) is a wholly owned subsidiary of The Co-operative Group Ltd which was established in 1844 and now operates 4,500 outlets with almost 90,000 employees and has an annual turnover of £10.50 billion.

Co-operative Group Food is the UK's 5th largest food retailer with almost 2,800 local, convenience and medium sized stores **employing over 69,000 people**. The company has been undertaking a rationalisation of its stores over the last 24 months with the disposal of a number of its larger stores and smaller stores (McColls disposal) with the focus on retaining and expanding the convenience stores within its estate. The company opened over a 100 new convenience stores in 2016 at a cost of £70m.



Indicative internal photograph



Indicative internal photograph

A summary of Co-operative Group Limited accounts is set out below.

Co-Operative Group Ltd	31/12/2016	31/12/2015
Turnover	£9,472,000,000	£9,201,000,000
Pre Tax Profits	£132,000,000	£23,000,000
Shareholder Fund	£3,029,000,000	£2,937,000,000

Experian Delphi Rating 100 (Very Low Risk) Dun & Bradstreet Rating 5A1.
Further information is available at www.co-operativefood.co.uk

Proposal

We have been instructed to seek offers in excess of **£2,185,000** (Two Million One Hundred and Eighty Five Thousand Pounds) subject to contract, for our client's freehold interest. Our client would consider offers for a combination of the different income streams.

A purchase at this level reflects the following yield profile, after deduction of purchase costs:

- £ Net Initial Yield **5%**
- Reversionary Yield (2023): **5.65%**
- Reversionary Yield (2028): **6.45%**

We have applied an average RPI rate of 3% as an estimate of future rental growth and yield performance.

VAT

The property has been elected for VAT purposes and the sale is intended to be treated as a Transfer of a Going Concern (TOGC).

Anti-Money Laundering Regulations

In accordance with Anti-Money Laundering Regulations, two forms of identification and confirmation of the source of funding will be required from the successful purchaser

Energy Performance Certificate

To be provided on request.

FURTHER INFORMATION

For further information or to arrange an inspection, please contact:

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